



THE SENIORS COALITION

Working for a Responsible America

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 96-45
EX PARTE PRESENTATION

Dear Ms. Dortch:

In previous submissions in this proceeding, the Seniors Coalition has expressed its opposition to a proposal to base contributions to the Universal Service Fund (USF) on working telephone numbers, rather than on interstate revenues. Representing more than 4 million senior citizens, the Seniors Coalition has noted many of its members rely on prepaid wireless service to stay connected with family, friends, and healthcare providers. Many seniors are living on limited fixed incomes, and could not afford the security and convenience of wireless telephone service without affordable prepaid options.

Recently, TracFone Wireless has submitted a proposal to the Commission which would base prepaid wireless provider contributions to the USF on their minutes of use rather than on working telephone numbers in the event that the Commission proceeds with its proposal to adopt a working telephone numbers-based contribution methodology. Under that proposal, the average usage of all wireless customers would be divided by the monthly per number USF contribution charge. That number would then be multiplied by each prepaid provider's minutes of use to calculate the provider's monthly USF contribution.

The Seniors Coalition believes that TracFone's By the Minute proposal would be an appropriate mechanism for avoiding undue and burdensome cost increases for those millions of seniors and others who rely on prepaid wireless service for affordable telecommunications. The By the Minutes plan would ensure that Universal Service Fund contributions by prepaid wireless providers (ultimately borne by their customers) are equitable, nondiscriminatory and competitively neutral.

Our studies indicate that seniors find prepaid wireless services desirable and preferable because such services provide more affordable access to wireless service than do traditional post-paid services which require long-term financial commitments and minimum monthly usage requirements. Our studies also have shown that affordable wireless service is very important to seniors for safety and security reasons. It is not unusual for senior citizens to encounter emergencies or other unexpected needs when they leave their homes for any reason, including, for example, for medical appointments or to conduct daily errands. In such circumstances, an unanticipated transportation problem (e.g., a missed ride, a late bus) -- or an unanticipated health problem-- require access to reliable telecommunications so that assistance can be called. Many seniors living on fixed incomes simply can not afford traditional wireless calling plans. Our

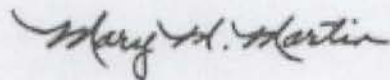
studies have shown that many such seniors rely on prepaid wireless services in the event of such emergencies. Our research further has shown that increases in the cost of their prepaid services, even such small increases as \$1.00 per month would force many seniors to abandon those services, notwithstanding their importance as a valuable safety net.

In addition, the Seniors Coalition believes that a By the Minutes plan also would be an appropriate contribution methodology for providers of prepaid wireline calling services. As you are aware, Section 254(d) of the Communications Act requires that "Every" provider of interstate telecommunications service contribute to support of the Universal Service Fund. Since prepaid wireline providers do not assign working telephone numbers as part of their service offerings, there would be no mechanism for subjecting such providers to USF contributions under a working telephone numbers-based plan. For that reason, the Seniors Coalition recommends that those providers, in addition to prepaid wireless providers, have their contributions based upon their minutes of use.

In closing, the Seniors Coalition is supportive of Universal Service and encourages the Commission to make such adjustments as necessary both regarding distribution of resources and contributions so as to achieve the goals of the Universal Service Fund. However, it is critically important that the Commission not utilize contribution methodologies which would place of disproportionate amount of the funding burden on the backs of seniors and other low income persons. If the Commission takes measures to prevent that from occurring, such as a By the Minute contribution plan for prepaid wireless services, then the Seniors Coalition could support a contribution methodology based on working telephone numbers.

Thank you for affording us the opportunity to communicate our views on these important telecommunications policy matters.

Sincerely,

A handwritten signature in cursive script, reading "Mary M. Martin".

Mary Martin, Chairman
The Seniors Coalition

Cc: Hon. Kevin J. Martin
Hon. Michael J. Copps
Hon. Jonathan S. Adelstein
Hon. Deborah Taylor Tate
Hon. Robert M. McDowell